

Established 1837

11 June 2002

Securities & Exchange Commission
Division of Corporate Finance
Room 3094 (3-6), 450 Fifth Street
Washington
D.C. 20549
USA



Steam Navigation Company
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Incorporated by Royal Charter
with limited liability
Company number Z73

82-2083

Dear Sirs

BOARD ANNOUNCEMENT

SUPPL

I enclose a copy of a press release sent to the London Stock Exchange in accordance with our 12g3-2(h) exemption from the Securities Exchange Act of 1934 in connection with our ADR program.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Liz Eddington'.

Liz Eddington
Company Secretariat

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EMBARGO: NOT FOR PUBLICATION BEFORE 09:00 HOURS (UK TIME) ON TUESDAY 11 JUNE 2002

BOARD ANNOUNCEMENT

P&O announces that Graeme Dunlop, Chairman and Managing Director of P&O Ferries, is to retire at the end of 2002 and will become a Special Adviser to the Chairman and the Board. Graeme, who turns 60 this month, has been a P&O Main Board Director since 1991. He is to become President of the European Community Shipowners Association in 2003.

Russ Peters, who has been Managing Director of P&O Stena Line since its inception in 1998, will become responsible for the whole of P&O Ferries on Graeme's retirement. Prior to then he will take charge of the consolidation and rationalisation of P&O's ferry operations following its expected acquisition of Stena Line's 40% holding in P&O Stena Line and the proposed restructuring of the North Sea routes.

Commenting on the announcement, P&O Chairman Lord Sterling said "Graeme has devoted his whole career to P&O. Over the last few years, his immense knowledge and wealth of experience of the ferries business has made his name synonymous with the industry. He has made a major contribution to the development of P&O's ferry division over many years, helping to achieve the brand leadership we enjoy today. Graeme is an excellent choice as the next President of ECSA."

"At the same time I am pleased that Russ will play a leading role in the further development of our ferries division. He has considerable experience of the business and I am sure he will be able to maximise the benefits of the strategic moves we are making as the market continues to grow."

Further Information: Peter Smith, Director, Communications and Strategy
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Notes to editors:

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1. Graeme Dunlop joined P&O as a management trainee in 1964 after graduating from Cambridge University. His early career was spent in a wide range of posts in cargo and passenger shipping. In 1979 he was appointed Managing Director of North Sea Ferries. He became Managing Director of P&O European Ferries in 1987 and Chairman in 1993. In 1999/2000 he was President of the Chamber of Shipping. Graeme is currently Chairman of the Standard Steamship Owners' P&I Association and Vice-President of ECSA.
2. Before joining P&O, Russ Peters was Managing Director of a privately owned international road haulage company. In 1987 he was appointed Freight Director of P&O European Ferries. He became Managing Director of P&O North Sea Ferries in 1990 and Managing Director of P&O European Ferries (Dover) in 1994. Russ has been Managing Director of P&O Stena Line since March 1998.

(ends)